

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

MICROSOFT CORPORATION,

Plaintiff,

v.

ALCATEL BUSINESS SYSTEMS and
GENESYS TELECOMMUNICATIONS
LABORATORIES, INC.

Defendants.

Case No.: 07-90-SLR

JURY TRIAL DEMANDED

MICROSOFT'S REPLY TO COUNTERCLAIMS OF ALCATEL BUSINESS SYSTEMS

Plaintiff-Counterclaim Defendant Microsoft Corporation ("Microsoft"), by and through the undersigned attorneys, hereby files this Reply to the Counterclaims of Alcatel Business Systems ("ABS"). The headings and numbered paragraphs below correspond to those in ABS's counterclaims. Any allegation of ABS's counterclaims not expressly admitted below is denied.

COUNTERCLAIMS

Parties

1. Admitted.
2. Admitted.

Jurisdiction and Venue

3. Admitted.
4. Admitted.

Count I

5. Microsoft admits that ABS incorporates by reference the allegations contained in paragraphs 1-4 of ABS's counterclaims. Microsoft incorporates by reference its responses to those allegations herein.

6. infringement of U.S. Patent No. 6,421,439 ("the `439 patent"), U.S. Patent No. 6,430,289 ("the `289 patent"), U.S. Patent No. 6,263,064 ("the `064 patent"), and U.S. Patent No. 6,728,357 ("the `357 patent"). Microsoft Microsoft admits that it has filed a First Amended Complaint against ABS for the otherwise denies the remaining allegations of paragraph 6 of ABS's counterclaims.

7. Microsoft admits that ABS has denied Microsoft's allegations of infringement. Microsoft otherwise denies the remaining allegations of paragraph 7 of ABS's counterclaims.

8. Microsoft admits that a controversy exists between Microsoft and ABS regarding the infringement of the `439 patent, the `289 patent, the `064 patent and the `357 patent.

9. Denied.

Count II

10. Microsoft admits that ABS incorporates by reference the allegations contained in paragraphs 1-9 of ABS's counterclaims. Microsoft incorporates by reference its responses to those allegations herein.

11. Microsoft admits that a controversy exists between Microsoft and ABS regarding the validity and/or enforceability of the `439 patent, the `289 patent, the `064 patent and the `357 patent.

12. Denied.

Count III

13. Microsoft admits that ABS incorporates by reference the allegations contained in paragraphs 1-12 of ABS's counterclaims. Microsoft incorporates by reference its responses to those allegations herein.

14. Microsoft admits that a controversy exists between Microsoft and ABS regarding the validity and/or enforceability of the `439 patent and the `289 patent.

15. Denied.

16. Microsoft admits that the `439 patent and the `289 patent both issued to Stephen M. Liffick. Microsoft admits that claim 1 of the `439 patent claims:

In an environment where subscribers call a user over a telephone network, wherein a user telephone is coupled with the telephone network, a system for processing an incoming call from a subscriber to a user in the telephone network according to user specifications, the system comprising:

- a data structure contained within a computer network to store user-selectable criteria for call processing, wherein the data structure stores the user-selectable criteria in one or more lists that are used in filtering an incoming call and wherein some of the one or more lists are used to filter the incoming call according to current activity of subscribers on the computer network or according to current activity of the user on the computer network;
- a computer network access port used by the telephone network to access the data structure such that the telephone network has access to the one or more lists over the computer network access port; and
- a controller to receive the incoming call designated for the user telephone and to process the incoming call in accordance with the user-selectable criteria, the controller accessing the user-selectable criteria in the one or more lists of the data structure via the computer network access port and thereby applying the user-selectable criteria to the incoming call.

Microsoft admits that claim 1 of the `289 patent claims:

In a system that includes a telephone network and a computer network with one or more users, wherein each user is connected through a user computer the computer network and is logically connected through the computer network to the telephone network, a method of determining

when to establish telephone communication between two parties, at least one of whom is a user connected to said computer network, comprising:

- at the computer network, receiving information from the telephone network that a first party from whom a call is originating desires to establish telephone communication with a second party;
- at the computer network, monitoring activity of a user computer connected to the computer network and associated with the second party;
- at the computer network, storing a set of pre-determined rules for determining when the second party is available to take a call from the first party;
- at the computer network, using the set of a pre-determined rules to process i) the information received from the telephone network regarding the call being originated by the first party, and ii) information regarding the monitored activity of the user computer of the second party, to determine when the second party is available to take the call originated by the first party; and
- using the information processed at the computer network to facilitate connecting the call originated by the first party through the telephone network to the second party.

Microsoft otherwise denies the remaining allegations of paragraph 16 of ABS's counterclaims.

17. Microsoft does not have sufficient information to admit or deny the allegations of paragraph 17 of ABS's counterclaims, and therefore denies those allegations.

18. Denied.

19. Denied.

20. Denied.

ABS's Prayer for Relief

Microsoft denies that ABS is entitled to any relief whatsoever and denies all the allegations contained in paragraphs A-F of ABS's prayer for relief.

Demand for Jury Trial

Microsoft admits that ABS demands a trial by jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Microsoft Corporation prays that this Court:

- a) Enter judgment against ABS;
- b) Deny ABS's request for declaration of non-infringement, invalidity and unenforceability of United States Patent Nos. 6,421,439, 6,430,289, 6,263,064, and 6,728,357 and for each of its other claims or defenses;
- c) Award Microsoft its costs in this action, together with reasonable attorney's fees; and
- d) Grant Microsoft such other relief as this Court deems just and proper.

Dated: July 3, 2007

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CERTIFICATE OF SERVICE

I hereby certify that on July 3, 2007, I electronically filed with the Clerk of Court using CM/ECF **MICROSOFT'S REPLY TO COUNTERCLAIMS OF ALCATEL BUSINESS SYSTEMS** which will send electronic notification of such filing(s) to the following Delaware counsel. In addition, the filing will also be sent via hand delivery:

BY EMAIL AND BY HAND

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